

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: January 4, 2012
POSITION: Oppose

BILL NUMBER: AB 1145
AUTHOR: G. Cedillo

BILL SUMMARY: Workers' Compensation: Permanent Disability Benefits

This bill would provide for a supplemental job displacement voucher (SJDV) to cover various reeducation and skill enhancement expenses.

FISCAL SUMMARY

The Department of Industrial Relations (DIR) indicates that any costs resulting from this bill would be minor and absorbable within existing resources.

The DIR indicates that because this bill broadens the approved uses of job displacement vouchers, employer costs could increase. However, the increased costs associated with the use of vouchers should be somewhat offset by the fact that injured workers will be retrained and return to work in a shorter period of time.

COMMENTS

The Department of Finance is opposed to this bill because it does not propose a comprehensive solution to address various issues surrounding the Workers' Compensation system.

Currently, employees cannot receive supplemental job displacement benefit vouchers until the injury has been found to be permanent and the employee does not return to work 60 days after the termination of temporary disability payments. However, in order for the employer to not be liable for providing supplemental job displacement benefit vouchers, the employer must offer work within 30 days of the termination of temporary disability payments, which may be too soon to know if the employee can return to work and in what capacity, since a determination of permanent disability has likely not yet been made.

Current law:

- Specifies that if an injured worker does not return to work for their employer within 60 days as a result of permanent disability, they will be eligible for a specified level of supplemental job displacement benefits based on their level of permanent disability.
- Specifies that supplemental job displacement benefit vouchers are approved for issuance to an injured worker when their permanent disability rating has been officially determined by the Disability Evaluation Bureau.
- Provides that employers are exempt from providing supplemental job displacement benefit vouchers if, within 30 days of the termination of temporary disability payments, the employer offers and the employee does not accept work.

(Continued)

COMMENTS (continued)

Analyst/Principal (0241) J. Sturges	Date	Program Budget Manager Lisa Ann L. Mangat	Date
--	------	--	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
----------------------	-----------------------------

